

Weekly Market Review

February 11, 2021

Overview

Plenty supply available for most commodities this week. Quality looks fantastic. Corn in the southeast remains short but seems to be improving as the homestead begins to ramp up production. We will be observing the entire state of Florida over the next several days as frost warnings are being posted for parts of the state. We will monitor and provide updates as we receive them from our growers. Cantaloupe and honeydew remain short due to weather impacts from Hurricane Eta and Iota in Central America. Banana markets remain firm due to the force majeure being declared by major global banana suppliers. Growers have suffered major damage to crops and infrastructure causing a large ripple in the supply chain. We expect an escalated banana market through at least the first quarter of 2021.

Market Alert

- Apples – **EXTREME**
- Bananas – **ACT OF GOD/FORCE MAJEURE**
- Corn – **EXTREME**
- Garlic – **EXTREME**
- Ginger – **EXTREME**
- Limes – **EXTREME**
- Melon (Cantaloupe & Honeydew) – **EXTREME**
- Strawberries – **EXTREME**

WATCH LIST

- Cherry Tomatoes (Mexico)
- Cucumbers (Honduras)
- Green Beans
- Mixed Chili Pepper
- Transportation
- Raspberries & Blackberries in California
- Watermelon

Transportation

Freight rates are at record highs due to high demand for trucks nationwide. Equipment remains extremely short, further adding to the issue. LTL trucks are currently difficult to source. National fuel prices are steady. The east coast is averaging \$2.48/gallon, while California's average for diesel remains the highest at just under \$3.25/gallon.

Weather

OXNARD, CA:

Thu 2/11	Fri 2/12	Sat 2/13	Sun 2/14	Mon 2/15	Tue 2/16	Wed 2/17
58° 50°F	63° 46°F	62° 46°F	63° 45°F	62° 48°F	63° 47°F	65° 49°F
						
Partly Cloudy	Mostly Sunny	Partly	Partly Cloudy	Partly Cloudy	Partly Cloudy	Sunny

YUMA, AZ:

Thu 2/11	Fri 2/12	Sat 2/13	Sun 2/14	Mon 2/15	Tue 2/16	Wed 2/17
80° 55°F	75° 50°F	79° 55°F	73° 50°F	75° 53°F	76° 54°F	75° 54°F
						
Sunny	Mostly Sunny/Wind	Partly Cloudy	Sunny	Partly Cloudy	Sunny	Sunny

IMMOKALEE, FL

Thu 2/11	Fri 2/12	Sat 2/13	Sun 2/14	Mon 2/15	Tue 2/16	Wed 2/17
83° 63°F	88° 65°F	87° 68°F	86° 66°F	88° 68°F	84° 65°F	86° 64°F
						
Scattered Thunderstorms	Partly Cloudy	Mostly Cloudy	Scattered Thunderstorms	Isolated Thunderstorms	Scattered Thunderstorms	Isolated Thunderstorms

HERMOSILLO, MX

Thu 2/11	Fri 2/12	Sat 2/13	Sun 2/14	Mon 2/15	Tue 2/16	Wed 2/17
82° 49°F	83° 50°F	81° 52°F	71° 45°F	77° 48°F	79° 51°F	79° 49°F
						
Sunny	Mostly Sunny	Sunny	Partly Cloudy	Mostly Sunny	Mostly Sunny	Sunny

CULIACAN, MX:

Thu 2/11	Fri 2/12	Sat 2/13	Sun 2/14	Mon 2/15	Tue 2/16	Wed 2/17
82° 48°F	84° 49°F	81° 51°F	79° 53°F	79° 48°F	82° 49°F	82° 48°F
						
Sunny	Sunny	Sunny	Mostly Sunny	Mostly Sunny	Sunny	Sunny

Good Buys

Commodity	Market Update	Produce Expert Tip
Yellow Bell Peppers	Promotable volume available out of Central Mexico. Quality is outstanding.	Let's make a creamy yellow bell pepper pasta! Puree your bell peppers, olive oil, onions, thyme, salt, and pepper until smooth. Simply pour over your cooked pasta, then top with Parmesan cheese. Enjoy!
Passionfruit	Good quality and supply. Available year-round.	What better way to kick start the morning than with a mango passionfruit smoothie? Simply blend mango slices, fresh passionfruit, lime juice, water, honey, and ice until smooth. Garnish with lime slices.
French Beans	Good volume and light demand have increased downward pressure on pricing this week. Quality is excellent.	Buttery garlic beans are a great side dish to accompany your steak, pasta, and rice! Simmer your French beans until they start to soften, then add butter until melted and then garlic. Season with lemon pepper and salt.

Fruits & Vegetables

Avocados: Steady volume and promotable pricing on all sizes expected to continue from Mexico. We will continue to observe the spring crop which may have some loss due to freezing temps in the region last month. Volume continues to increase out of California. Quality is outstanding.

Bananas: **ACT OF GOD** Hurricane Eta and Iota has left behind major effects on several growing regions in South America. Our growers have assessed damages that have impacted both crops and infrastructure. The aftermath of this situation will continue to hinder the entire banana industry and cause a Force Majeure to remain in place. Based on forecasts received from our growers, we anticipate active markets and tight supply through Q1 2021. We will anticipate maintaining the supply chain at escalated prices until we are clear of this unfortunate event.

Pineapples: Volumes on 5ct & 6ct pineapples are a little low but are improving. This lower than expected supply will continue improving over the next few weeks.

Grapes: Green grapes are extremely tight at this time with little to no availability. Markets will be on the rise this week and will continue to go up. Due to a large rain event in Chile, the red grape market is also on the way up. There will be a significant increase in pricing over the next few weeks, possibly until the MX season starts.

Berries

Strawberries: **EXTREME** Strawberries continue to be very short this week with most shippers pro-rating in all areas due to increased demand from Valentine's Day, lighter volume from the rain in CA, and below normal temps in FL. If weather cooperates, we may see a slight increase in availability in about 10 days but expect tight supply to continue next week.

Blueberries: Delays at the Long Beach Port in CA continue to impact arrivals of offshore product to the west coast, but we will see an increase in production through the month of February out of Mexico. Market continues to be active.

Blackberries: Blackberry supply will continue to decrease, and lighter supply is expected through the month of February. Market continues to be very active.

Raspberries: Volume is still below normal, although we anticipate a slow increase in volume through the month of February. Market is very active.

California / Arizona Citrus

Navels: Overall quality is excellent. Good supply of 72ct & larger fancy grade. Smaller sizes remaining tight.

Lemons: Minimal issues with quality. Peak sizes are 140/115/165ct. Mostly fancy grade available.

Limes: **EXTREME** The lime market has jumped considerably this morning as availability of small fruit has become limited, pushing our growers to secure additional fruit at market. Quality and rain-related issues have impacted the older crops, which is where the current fruit is being harvested. Political issues are also impacting the supply routes through Mexico; we may see this impact for the next several weeks. Should there be any unexpected shorts, some temporary substitutes are limes or lemons.

Grapefruit: Texas is in the peak of its season. Peaking size 40/48/56ct. Mostly fancy grade available. Good supply of choice grade fruits. Taste is very sweet and aromatic. The flesh is an appealing deep dark red.

Imports/Specialties available:

- Cara Caras – Small sizes are very tight. Good supply on larger Sunkist/fancy grade.
- Blood oranges – All sizes available.
- Minneolas – All sizes available.
- Mandarins – All sizes available.

West Coast Lettuce

Butter: Good supply and very good quality.

Green Leaf: Good supply and very good quality.

Red Leaf: Good supply and excellent quality.

Iceberg Lettuce: Good supply and very good quality.

Romaine & Romaine Hearts: Good supply and very good quality.

Eastern and Western Vegetables

Green Bell Pepper: Normal volume and good quality out of Florida. Good volume continues in the West crossing through Nogales and McAllen. Quality is outstanding.

Red Bell Pepper: Promotable volume available out of Central Mexico. Quality is outstanding.

Yellow Bell Pepper: Promotable volume available out of Central Mexico. Quality is outstanding.

Mini Sweet Pepper: **WATCH LIST** Supply remains extremely tight and is expected to through the next several weeks due to cool weather in Central Mexico.

Mixed Chili Pepper: **WATCH LIST** Supply firmed up in the east on Jalapeños, Long Hots, Cubanelles and Hungarians due to recent cool weather and rain. Volume and quality are outstanding from Mexico crossing through McAllen and Nogales.

Eggplant: **WATCH LIST** Below normal supply expected out of Florida as a transition to newer blocks is underway. Mexican volume is steady crossing through Nogales.

Cucumbers: **WATCH LIST** Expect lighter volume over the next week from Honduras and loading in Miami. Good numbers and quality out of Mexico.

English Cucumbers: Markets remain flat; however, volume has tightened with cooler weather. Quality is great.

Green Beans: **WATCH LIST** Volume is steady this week out of Florida. Nogales supply has improved leading to a stable market. Quality is mostly good.

French Beans: Good volume and light demand has increased downward pressure on pricing this week. Quality is excellent.

Zucchini/Yellow Squash: Stable markets in Florida and good volume crossing from Mexico will keep pressure on FOB prices to remain down. Quality is outstanding.

Herbs

TARRAGON and THYME supply is limited due to logistic issues out of Mexico.

THAI BASIL and OPAL BASIL remain hit or miss due to the colder temps in the growing regions.

BASIL, MINT, PARSLEY, CHIVES and other herbs remain steady and in very good quality.

HERB	SUPPLY	QUALITY	COUNTRY OF ORIGIN
Arugula	Steady	Steady	USA
Basil	Steady	Steady	MEXICO
Opal Basil	Limited	Marginal	MEXICO
Thai Basil	Limited	Marginal	USA/MEXICO
Bay Leaves	Steady	Steady	COLOMBIA
Chervil	Steady	Steady	USA
Chives	Steady	Steady	MEXICO
Cilantro	Steady	Steady	USA
Dill	Steady	Steady	USA/MEXICO
Epazote	Steady	Steady	MEXICO
Lemongrass	Steady	Steady	USA
Marjoram	Steady	Steady	USA
Mint	Steady	Steady	USA
Oregano	Steady	Steady	USA/MEXICO
Italian Parsley	Steady	Steady	USA
Rosemary	Steady	Steady	USA/MEXICO
Sage	Steady	Steady	MEXICO
Savory	Steady	Marginal	USA
Sorrel	Steady	Steady	USA
Tarragon	Limited	Steady	MEXICO
Thyme	Limited	Steady	USA/MEXICO
Lemon Thyme	Steady	Steady	USA
Lavender	Steady	Steady	USA

Lime Leaves	Steady	Steady	USA
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Melons

Cantaloupe: EXTREME Large cantaloupes remain very short with strong retail/processing demand in place on limited volume. Pricing on smaller sized melons (12/15s) have started to settle in the east with arrivals leaning more in that direction. Quality continues to improve externally every week while internal quality remains strong with brix levels consistently in the 11-14% range. Second cycle production from the Zacapa region resumes in approximately two weeks, which will push us clear of troubled fields experienced during the first three months of the season. Volumes will gradually increase in the first week of March before peaking towards the end of March. Ideal growing conditions leave us very optimistic that premium quality is on the way.

Honeydew: EXTREME Strong production from Honduras quickly saturated the market, causing pricing to drop. Most of the volume is on larger sizes as very few 8s are coming in. We anticipate a decrease in production over the next 7-10 days before Guatemalan supply starts to hit the market the first week of March. Classic Fruit's quality, from our new ranch in the western part of Guatemala, has been excellent with good sizing and clean melons. Brix levels have been as high as 15-17% on some packing days.

In reference to cantaloupe and honeydew: Over the next several weeks we will be watching the conditions that resulted from the hurricane that crossed through Honduras and Guatemala. The rain from this storm was expected to impact most of the region and we will need to assess any potential damages. Severe damage to the crops in the region could cause major market shortages through February 2021.

Watermelon: WATCH LIST Improving supply crossing through McAllen and Nogales while offshore arrivals remain light. Quality is good.

Mixed Vegetables

Artichokes: Good weather is bringing a moderate increase in volume and we should see volume continue to increase as we move through the month of February. Market is steady to slightly low depending on size. Quality is good.

Arugula: Supply is good. Fair quality due to some yellowing and insect damage.

Asparagus: Plenty of outstanding quality product available, both 11# and 28#. Market is at promotable levels.

Bok Choy: Supply is expected to be plentiful for the next three weeks. Quality is good.

Broccoli/Broccoli Florets: Supply is steady this week. Quality is very good.

Brussels Sprouts: Good supply and very good quality.

Carrots: Good availability on all FS, baby-peeled and jumbos. Limited supply on cellos. Snack packs remain very limited in availability.

Cauliflower: Supply is expected to be plentiful this week.

Celery: Overall good supply in the industry. Quality is good and the market is lower this week.

Corn: **EXTREME (Florida)** Corn remains very active and unstable in Florida as volume has not improved yet out of Homestead. In Nogales better numbers are crossing on bi, yellow, and white corn. We recommend subbing in broccoli, cauliflower, green beans, or French beans where possible until we see more consistency in the market.

Cilantro: Volume will be plentiful this week. Quality is good.

Fennel: We will continue to have good supply on fennel for the next couple weeks. Quality remains strong overall.

Garlic: **EXTREME** The market for domestic garlic remains high with good quality.

Ginger: **EXTREME** Ginger is very volatile due to very inconsistent supply and market is higher. Supply remains tight for the foreseeable future.

Green Cabbage: Supply and quality are good.

Green Onions: The market will remain active due to continued light supply from Mexico. Quality is good.

JICAMA: Steady supply available crossing through McAllen.

Kale (Green): Bunched kale supply is expected to be plentiful for the next few weeks.

Mushrooms: We are seeing a stable market and good supply.

Napa: Supply is expected to be plentiful for the next three weeks. Quality is good.

Parsley (Curly, Italian): Great quality with supply increasing over the next few weeks.

Rapini: Quality is strong with good supply.

Red Cabbage: Supply is lighter. Quality remains consistent.

Snow Peas: Steady volume. Good quality.

Sugar Snap Peas: Steady volume. Good quality.

Spinach (Bunched): Supply is good. Fair quality due to some yellowing and insect damage.

Spinach (Baby): Supply is good. Fair quality due to some yellowing and insect damage.

Spring Mix: Supply is good. Fair quality due to some yellowing and insect damage.

Sweet Potatoes and Yams: New crop harvest starts as soon as next week for some sweet potato growers. We are looking at new crop shipments starting in about 6 weeks after they cure. Last year's crop is starting to dwindle, and inventory is getting tight, but supply should hold to avoid gap.

Onions:

FOB pricing on all colors and sizes remain stable in the Northwest. Size profiles on all colors continue leaning toward heavier to larger sizes, which is expected to continue as the USDA Farmers to Families program continues for the next three months. White onion supply continues to tighten up in the Northwest, however Mexican white onions crossing through South Texas continue to ramp up. Heavier volumes of yellows and reds are crossing as well, and it is putting some further downward pressure on the Northwest FOBs. Demand has been down throughout the country, as inclement weather has impacted food service. Northwest shippers are continuing to experience higher than normal shrink levels as they move toward the final months of the storage crop, which could boost the market if demand picks up. The market still has a good chance to finish strong with warmer weather and better food service demand around the corner, and hopefully with a more rampant circulation of the vaccine. We are also seeing relief on freight costs as well, as truck capacity has greatly improved this past week.

Potatoes:

The market remains stagnant on all sizes and grades of potatoes. Burbanks, Norkotahs, and White Russets are shipping full steam ahead. Quality remains strong on all varieties at this present time. Larger-size cartons are much more plentiful than they have been in recent weeks, as the heightened demand on small potatoes for the USDA Box Program is causing large counts to pile up some. There is some optimism that the USDA program will continue to help keep small sized potatoes cleaned up over the next three months, which should help the overall market. While foodservice demand had been picking up, inclement weather these past two weeks have not helped. The market needs foodservice to increase to normal levels to help it finish strong. We anticipate this to happen as we get into warmer weather in the coming months and should see the vaccine continue to circulate. Other russet growing regions will finish shipping in the coming months, so there should be less overall supply on the market. This will help increase FOB pricing as well. Truck capacity continues to improve, and we are seeing rates come back to where they should be for Q1. Railcar availability has improved as well.

TOMATOES

East Coast

- **Rounds:** Florida supply is steady this week. Quality is outstanding.
- **Romas:** Florida supply is steady this week. Quality is outstanding.
- **Grape Tomatoes:** Supply is improving this week and quality is very nice. Steady supply is expected over the next week.
- **Cherry Tomatoes:** Supply remains lighter than normal but is expected to improve over the next week. Quality is good.
- **Organic Tomatoes:** Supply and quality improving.

Mexico

- **Rounds:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding.
- **Romas:** Promotable volume crossing through McAllen and Nogales. Quality is outstanding.
- **Grape Tomatoes:** Increasing volume and good quality available out of McAllen and Nogales.
- **Cherry Tomatoes:** **WATCH LIST** Supply remains lighter than normal crossing through McAllen and Nogales but is expected to improve over the next several weeks.

APPLES & PEARS

Apples: EXTREME: The Washington Apple community is reporting that the 2020-2021 crop is down this year by nearly 30 million cases for several reasons. At this time, we are also seeing deficits in other regions on a national level. This is due to weather related pressure, late summer and early fall in the Pacific Northwest, and unprecedented demand at retail. Please keep in mind, the USDA Food Box program, as well as other government backed programs, have reduced the overall availability on the fruit. This shortage is impacting the Granny Smith and Gala varieties, which are major food service items. Between the production shortages, which are weather related, unprecedented demand, and COVID-19 restrictions and closures, there will be a continued upward pressure on price. Please note that we are expecting pricing to remain higher until new crop begins sometime in August 2021.

Asian Pears: Asian pear supply is available. Chilean & Argentine Bartlett Pears in LA.

Stone Fruit: Supply improving on Chilean Peaches, Plums and Nectarines that will load in Philly as well as Los Angeles.

Cherries: Limited supply available on red cherries from Chile.

Kiwi Fruit: Steady supply available on both coasts. Californian and Italian Haywards are available.